

Message Text

CONFIDENTIAL

PAGE 01 BOGOTA 11269 212154Z

60

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SS-15 AGR-05 (ISO)W

----- 118213

P R 212041Z NOV 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 2048

INFO AMCONSUL CALI

AMCONSUL MEDELLIN

C O N F I D E N T I A L BOGOTA 11269

EO 11652: GSDS

TAGS: PINT CO

SUBJ: THE WEEK IN COLOMBIA

1. SUMMARY: LIBERALS CONTINUED TO MANEUVER WITH AN EYE TO THE PARTY CONVENTION IN DECEMBER. CONCERN OVER SECURITY DIMINISHED SLIGHTLY DURING THE WEEK. CHARGES OF ATTEMPTED COERCION HIGHLIGHTED SENATE TESTIMONY ON THE BANK COLOMBIANIZATION BILL. THE MAOIST-CONTROLLED BANK-WORKERS UNION PLANNED A BANK STRIKE PRIOR TO MID-DECEMBER. THE LOPEZ CABINET UNDERWENT SOME CHANGES AND RESHUFFLING. MONETARY AUTHORITIES RESTRICTED CREDIT AND THE GROWTH IN THE MONETARY SUPPLY. END SUMMARY.

2. LIBERAL PARTY ACTIVITY. LIBERAL PARTY FACTIONS JOCKEYED IN ANTICIPATION OF THE CONVENTION CALLED FOR DEC 12 (BOGOTA 11041). TURBAYISTAS WERE PROBABLY THE DRIVIN FORCE, WITH PRESIDENT LPEZ'S APPROVAL, BEHIND THE DECISION TO CALL THE CONVENTION AT THIS TIME. THE SO-CALLED FIRST FORCE (LOPISTA CONGRESSMEN) MET WITH LOPEZ, WHO GAVE HIS SUPPORT FOR THE CONVENTION, BUT DIRECTED THE FIRST FORCE TO DROP THE "LOPISTA" LABEL, APPARENTLY NOT WISHING TO BE IDENTIFIED

CONFIDENTIAL

PAGE 02 BOGOTA 11269 212154Z

WITH A PARTICULAR PARTY FACION. FORMER PRESIDENT LLERAS

AND HIS FOLLOWERS MET WITH OTHER FACTIONS AND HUDDLED AMONG THEMSELVES TO DETERMINE THEIR POSITION ON THE CONVENTION AND ITS CONSEQUENCES FOR THE LLERISTA MID-TERM AND 1978 PRESIDENTIAL CAMPAIGNS. BY THE END OF THE WEEK LLERAS HAD NOT DECIDED WHETHER HE OR HIS GROUP WOULD ATTEND, INCREASING SPECULATION THAT TURBAYISTAS AND LLERISTAS AS WELL LOOK UPON THE CONVENTION AS A MEANS OF DERAILING THE LLERAS CAMPAIGN MACHINE. TURBAYISTAS TOLD THE EMBASSY THEY WOULD PRESENT SEVERAL ANTI-LLERAS RESOLUTIONS, WHICH WOULD CONDEMN PREMATURE PRESIDENTIAL CANDIDATES AS WELL AS THE REELECTION OF EX-PRESIDENTS. PASSAGE OF THESE RESOLUTIONS WOULD PROBABLY DRIVE LLERAS FURTHER AWAY FROM THE PARTY AND SET THE STAGE FOR AN EVENTUAL FORMAL SPLIT IN THE PARTY.

3. STATUS OF FOREIGN BANKS. THE GOVERNMENT'S EFFORTS TO COLOMBIANIZE THE FOREIGN BANKS GAINED SPEED THIS WEEK WITH APPEARANCES BEFORE THE SENATE BANK COMMITTEE OF FINANCE MINISTER BOTERO, THE PRESIDENT OF THE BANCO DE COLOMBIA, THE PRESIDENT OF THE NATIONAL ASSOCIATION OF FINANCIAL INSTITUTIONS (ANIF) AND THE BANKING SUPERINTENDENT. ALL TESTIFIED IN FAVOR OF THE LEGISLATION, BUT ANIF INTRODUCED A NEW ELEMENT BY CHARGING THAT A CITIBANK SUBSIDIARY HAD ATTEMPTED TO FORCE ANIF TO OPPOSE THE GOVERNMENT BY THREATENING TO WITHDRAW FROM THE ASSOCIATION. BOTERO URGED PROMPT PASSAGE OF THE LAW BY THE SENATE AND CRITICIZED THOSE, SUPPOSEDLY FRIENDS OF THE GOVERNMENT, WHO WANT TO STUDY THE PROJECT TO DEATH, THEREBY INVOLUNTARILY SERVING "FOREIGN INTERESTS".

4. POSSIBLE BANK STRIKE. THE BANKWORKERS UNION (ACEB) LED BY MEMBERS OF THE MAOIST REVOLUTIONARY AND INDEPENDENT WORKERS MOVEMENT (MOIR) WAS REPORTED DURING THE WEEK TO BE PLANNING A STRIKE PRIOR TO MID-DECEMBER. A SIMILAR STRIKE LAST YEAR CAUSED MINOR DISRUPTION. THE ACEB, BETTER ORGANIZED THIS YEAR, HOPES TO USE THE STRIKE TO DEMONSTRATE MOIR MILITANCY, IN CONTRAST WITH THE MOSCOW-LINE TRADE UNION CONFEDERATION OF COLOMBIAN WORKERS (CSTC) WITH WHICH MOIR IS FIGHTING (BOGOTA 11105).

5. CABINET CHANGES. MINISTER OF MINES AND ENERGY JUAN JOSE TURBAY UNEXPECTEDLY RESIGNED HIS POST NOV 18
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BOGOTA 11269 212154Z

FOR "PERSONAL REASONS". PRESIDENT LOPEZ REPLACED TURBAY WITH MINISTER OF COMMUNICATIONS JAIME GARCIA PARRA AND NAMED IMF OFFICIAL FERNANDO GAVIRIA CADAVID TO REPLACE GARCIA (BOGOTA 1184). LOPEZ ALSO NAMED FORMER AMBASSADOR TO THE US CARLOS SANZ DE SANTAMARIA AS THE NATIONAL DIRECTOR OF CIVIL AERONAUTICS. ADMINISTRATIVE DEPARTMENT OF SECURITY (DAS) CHIEF, GENERAL JOSE JOAQUIN MATA LLANA HAD BEEN ACTING HEAD OF CIVIL AERONAUTICS SINCE A WILDCAT STRIKE BY AIR TRAFFIC

CONTROLLERS OCT 23 (BOGOTA 10773). MATAALLANA HAD CLEANED HOUSE DURING HIS TENURE, FIRING OVER 20 EMPLOYEES MANY OF THEM LEFTIST RADICALS, WHO HAD LED THE STRIKE.

7. MONETARY GROWTH AND CREDIT RESTRICTED. THE MONETARY BOARD MOVED TO RESTRAIN A RECENT RAPID GROWTH IN THE MONEY SUPPLY. RAPIDLY EXPANDING EXPORT RECEIPTS AND A SLUGGISH GROWTH OF IMPORT PAYMENTS GENERATED A RECENT 56 MILLION DOLLARS INCREASE IN RESERVES, MOTIVATING THE RESTRICTIVE MEASURES. RESERVE REQUIREMENT ON MARGINAL RESERVES WAS INCREASED TO 100 PERCENT, SOME INCENTIVES FOR ADVANCE EXPORT PAYMENTS WERE ELIMINATED, THE DISCOUNT RATE FOR HOUSING ASSOCIATIONS WAS INCREASED AND THE PETROLUEM DOLLAR WAS INCREASED FROM 24 TO 25 PESOS. MEASURES WERE TAKEN TO ASSURE AVAILABILITY OF CREDIT FOR AGRICULTURAL MACHINERY, AND BANKS CAN PLACE PORTIONS OF MARGINAL RESRVES IN ECONOMIC EMERGENCY BONDS, (TREASURY BILLS) WHICH CAN BE DISCOUNTED IN THE CENTRAL BANK OR MARKETED.
DREXLER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, POLITICAL SUMMARIES, POLITICAL PARTIES, PARTY FACTIONS, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOGOTA11269
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750407-0033
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751122/aaaaasxf.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2003 by BoyleJA>; APPROVED <19 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE WEEK IN COLOMBIA
TAGS: PINT, CO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006